

October 2014



## Topics for October

- [USDA Unveils Key New Programs to Help Farmers Manage Risk](#)
- [USDA Farm Service Agency Announces Key Dates for New 2014 Farm Bill Safety Net Programs](#)
- [USDA Farm Service Agency Reminds Producers: Farm Bill Allows Early Termination for Certain CRP Contracts](#)
- [Margin Protection Program for Dairy Producers](#)
- [New Farm Bill Offers Increased Opportunities for Producers](#)
- [Microloan Program](#)
- [2014 County Committee Elections](#)
- [Final Crop Reporting Dates and NAP Application Closing Dates](#)
- [2014 MAL and LDP Requests](#)

---

## South Carolina FSA Updates

---

### South Carolina Farm Service Agency State Office

1927 Thurmond Mall, Suite 100  
Columbia, SC 29201  
Phone: 803.806.3820

[www.fsa.usda.gov/sc](http://www.fsa.usda.gov/sc)

#### State Committee:

Robert Battle, Chairperson  
Warren Dixon  
Mary Frances Koon  
Don Sharp  
Tom Trantham

#### State Executive Director:

Harry Ott

### USDA Unveils Key New Programs to Help Farmers Manage Risk

USDA just unveiled highly anticipated new programs to help farmers better manage risk, ushering in one of the most significant reforms to U.S. farm programs in decades.

New tools are now available to help provide farmers the information they need to choose the new safety net program that is right for their business.

The new programs, Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC), are cornerstones of the commodity farm safety net programs in the 2014 Farm Bill, legislation that ended direct payments. Both programs offer farmers protection when market forces cause

**Administrative Officer:**  
Toni Turner

substantial drops in crop prices and/or revenues. Producers will have through early spring of 2015 to select which program works best for their businesses.

**Compliance, Disaster & RMA Chief**  
Riley Odum

To help farmers choose between ARC and PLC, USDA helped create online tools that allow farmers to enter information about their operation and see projections about what each program will mean for them under possible future scenarios. The new tools are now available at [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

**Conservation, Price Support, & Production Adjustment Chief**  
Amy Turner

**Farm Loan Programs Chief**  
Frank Sligh

Monday, Sept. 29, 2014, farm owners began visiting their local Farm Service Agency (FSA) offices to update their yield history and/or reallocate base acres, the first step before choosing which new program best serves their risk management needs. Letters sent this summer enabled farm owners and producers to analyze their crop planting history in order to decide whether to keep their base acres or reallocate them according to recent plantings.

Please contact your [local FSA Office](#) for questions specific to your operation or county.

The next step in USDA's safety net implementation is scheduled for this winter when all producers on a farm begin making their election, which will remain in effect for 2014-2018 crop years between the options offered by ARC and PLC.

Producers can contact their local FSA Office for more information on ARC and PLC or to schedule an appointment to update their yield history and/or reallocate base acres.

---

## USDA Farm Service Agency Announces Key Dates for New 2014 Farm Bill Safety Net Programs

USDA announced key dates for farm owners and producers to keep in mind regarding the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). The new programs, designed to help producers better manage risk, usher in one of the most significant reforms to U.S. farm programs in decades.

Dates associated with ARC and PLC that farm owners and producers need to know:

- Sept. 29, 2014 to Feb. 27, 2015: Land owners may visit their local Farm Service Agency office to update yield history and/or reallocate base acres.
- Nov. 17, 2014 to March 31, 2015: Producers make a one-time election of either ARC or PLC for the 2014 through 2018 crop years.
- Mid-April 2015 through summer 2015: Producers sign contracts for 2014 and 2015 crop years.
- October 2015: Payments for 2014 crop year, if needed.

USDA leaders will visit with producers across the country to share information and answer questions on the ARC and PLC programs.

USDA helped create online tools to assist in the decision process, allowing farm owners and producers to enter information about their operation and see projections that show what ARC and/or PLC will mean for them under possible future scenarios. The new tools are now available at [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc). Farm owners and producers can access the online resources from the convenience of their home computer or mobile device at any time.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity.

Producers can contact their [local FSA Office](#) for more information or to schedule an appointment.

---

## **USDA Farm Service Agency Reminds Producers: Farm Bill Allows Early Termination for Certain CRP Contracts**

The Farm Service Agency reminds producers with acres under contract through the Conservation Reserve Program (CRP) that they can apply for early contract termination, as required by the 2014 Farm Bill. The deadline to request early CRP contract termination is Jan. 30, 2015.

This is a unique opportunity to request early termination afforded by the 2014 Farm Bill. The earliest effective date for this early termination is October 1, 2014. The requesting CRP contract must have been in effect for at least five years and additional eligibility conditions must be met to qualify. The 2014 Farm Bill identifies a list of 10 exceptions whereby land will not be eligible for the early termination provisions. For a complete list of these exceptions, please view the program fact sheet online at [http://www.fsa.usda.gov/Internet/FSA\\_File/crp\\_opt\\_out\\_fact\\_sht.pdf](http://www.fsa.usda.gov/Internet/FSA_File/crp_opt_out_fact_sht.pdf)

Once a CRP contract termination request is approved by the FSA County Committee, the decision may not be reversed and the terminated contract will not be reinstated. Once the land is no longer considered under the CRP contract all participants must meet HEL/WC and other conservation compliance provisions for all associated lands.

For more information or to verify eligibility for early termination (opt-out) for existing CRP contracts, please contact your local FSA office. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

---

## **Margin Protection Program for Dairy Producers**

The 2014 Farm Bill authorized the Margin Protection Program (MPP-Dairy) for dairy producers. The new, voluntary risk management program replaces the Milk Income Loss Contract (MILC) program which expires on Sept. 1, 2014.

MPP-Dairy offers protection to dairy producers when the difference (the margin) between the all-milk price and national average feed cost falls below a certain producer selected amount.

Eligible producers may purchase coverage for their dairy operation by paying an annual administrative fee of \$100 and a premium, as applicable, for higher levels of coverage. Producers in the dairy operation will have to select a desired coverage level ranging from \$4.00 to \$8.00, in \$0.50 increments and a desired coverage percentage level ranging from 25 to 90 percent, in 5 percent increments. Producers will also have to decide whether or not to participate in the MPP-Dairy Program or the Livestock Gross Margin program administered by the Risk Management Agency

(RMA), but they will not be allowed to participate in both.

A decision tool will be made available in the fall of 2014 to help producers make coverage level decisions. Enrollment will also begin this fall. Dairy operators will establish their production history during signup. Verification of the production records will be required. The regulations for MPP-dairy are still being developed. Additional information will be provided as it becomes available.

---

## **New Farm Bill Offers Increased Opportunities for Producers**

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

- Elimination of the 15 year term limit for guaranteed operating loans.
- Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.
- Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.
- Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loan Program from \$225,000 to \$300,000.
- Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.
- Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.
- Increase of the guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.
- Microloans will not count toward direct operating loan term limits for veterans and beginning farmers

Additional modifications must be implemented through the rulemaking processes. Visit the [FSA Farm Bill website](#) for detailed information and updates to farm loan programs.

---

## **Microloan Program**

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing

needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals who are interested in applying for a microloan or would like to discuss other farm loan programs available should contact their local FSA office to set up an appointment with a loan official.

---

## 2014 County Committee Elections

County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

For election purposes, counties are divided into Local Administrative Areas, or LAAs. Most counties are divided into three LAA's, and combined counties may have up to five LAA's. For most counties, this year's election is for LAA 1. For Abbeville/Greenwood/McCormick the election is for LAA 1 and LAA 4 and for Anderson, the election is for LAA 1 and LAA 3.

### **Election Timetable**

**Nov. 3, 2014** – Ballots are mailed to eligible voters

**Dec. 1, 2014** – Deadline to return completed ballots to the FSA County Office

**Jan. 1, 2015** – Newly elected county committee members take office.

For more information on the election, who can vote, who can hold office, or other general COC election information, please contact your local FSA County Office or you can visit us at the following website: <http://www.fsa.usda.gov/sc> You can also visit the FSA elections website at <http://www.fsa.usda.gov/elections>.

---

## Final Crop Reporting Dates and NAP Application Closing Dates

### **Final Crop Reporting Dates**

#### **November 15, 2014**

Apiculture, PRF (All perennial grasses intended for hay, grazing or sod)

#### **November 30, 2014**

Clams

### **NAP Application Closing Dates**

#### **November 20, 2014**

Alfalfa, apples, blueberries, caneberries, figs, grapes, all perennial grasses for hay or grazing, honey, kiwifruit, lespedeza, nectarines, peaches not covered by FCIC, pears, pecans, plums, persimmons, and figs.

#### **December 15, 2014**

Artichokes, asparagus, beets, broccoli, brussel sprouts, cabbage, carrots, cauliflower, all greens, all

herbs, kohlrabi, leeks, lettuce, green onions, all peas including english and field varieties, potatoes, radishes, rutabagas, and turnips.

---

## 2014 MAL and LDP Requests

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool, mohair and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

National and county loans rates for 2014 crops are posted on the FSA website at: [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport).

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).